

UTAH NUMISMATIC SOCIETY

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2022



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January 2022
Volume 70 Issue 1



UTAH NUMISMATIC SOCIETY

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2022 OFFICERS & BOARD

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PRESIDENTS MESSAGE — January 2022

Mike Rek

Dear Club Members

The turn-out for the Christmas Dinner was successful, we had 50 plus attending the event. I hope everyone enjoyed the dinner and prizes that were given out this year.

I'll see you all the our January meeting on the 11th.

Thank you,
Mike Rek

SPECIAL BOARD MEETING TO PLAN OUR 2022 AGDENDA.

This will be held January 7th at 7PM and the home of Doug Nyholm. All "Board Members" are invited. Light refreshments will be served. His address is 2336 E. Autumn Ridge, Dr., Sandy UT 84092,

Contents & Agenda For January 11, 2022

Greetings - Mike Rek	Silver Eagles	6-7
Mini Exhibit - None	Book Review	8
News & Views - None	U.S. Assay Office / 1911	10-20
Coin Quiz - None	Gaylan Rust	21
Refreshments - TBA	Quiz	22
	Editors Message	24
	Prizes	

Meeting January 11, 2022 at 7PM

Meeting location is:

Columbus Center 2530 S. 500 E., Salt Lake City

31st Annual



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Justh ingots ranged from small to enormous. The smallest was 5.24 ounces, while the largest is this one from the San Francisco office weighing in at a mighty 866.19 ounces. This massive ingot is second only in weight to the “Eureka!” Kellogg & Humbert ingot, which weighs 933.94 ounces; making this Justh & Hunter ingot the largest from that assaying office known in the world, and it is also the largest ingot ever offered at public auction. To put in perspective the contemporary value of this ingot, consider that in 1857, in New York City, the average pay for a carpenter was \$1.79 per day. The 19th century work week was six days, so our average carpenter made \$10.74 per week. At the stated value on this ingot of \$15,971.93, this single ingot could pay the weekly wages of 1,487 carpenters. It is little wonder that the loss of the *S.S. Central America* shook the financial markets in New York and was a contributing factor to the Panic of 1857.

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Collecting Silver Eagles

Doug Nyholm

X



Recently I met with a friend of mine who collects U.S. Silver Eagles by date, mint, and variety. Most people, collectors or otherwise I believe collect Silver Eagles, or for that matter other silver bullion issues for their silver content first, and then possibly, by their designs. Many countries or private mints produce many issues with a myriad of designs. Again, most are valued at their silver content or a slight premium above melt.

My friend had let his collection lapse for several years and wanted help inventorying what he had, and what was needed to complete his collection. We sat down with the current Red Book, the 3rd editions of the Whitman book published in 2017/18 on "American Silver Eagles," and several price lists. The announced 4th edition will be available later this month.

The American Silver Eagle which turned 35 in 2021 is one of the most popular and collected series of U.S. modern coins. The reverse design was changed mid-year 2021 and along with the present high demand for silver their popularity has taken a leap. There are about 100 different issues which one can collect which for a modern series makes collecting a complete set not only a challenge but an expensive endeavor, especially if one thinks that a MS or PR-70 set of modern coins is easy. Even in the more collectable grade of 69 one is looking at a price tag that can easily exceed \$20,000!



Recently an article was published by “Bullion Shark LLC” regarding the five rarest Silver Eagles. The first issue mentioned is of course the 1995-W Proof. This was originally available only as part of the 4 piece gold bullion set and was minted to extent of only 30,125 coins. Presently this coin is individually the highest priced issue which in Proof 69 reaches \$3,500 but in Proof 70 can easily escalate to \$15,000 or \$20,000. When the first example graded PR-70 appeared it topped \$50,000 but since then several other 70’s have come forward somewhat reducing that price but with current interest in the set I would not be surprised to see the PF-70 price to increase.

Before commenting on the other rarities something needs to be said regarding certain condition rarities. With the onset of the series in 1986 and continuing through the year 2000 there are several very expensive and rare issues in Proof 70. The costliest dates are the 1993-P listed at \$1,500 in “Coin World Trends” while the 1994-P issue in PF-70 is not far behind at \$1,250. Other issues during this period in PF-70 are routinely traded in the \$300 to \$600 range. Therefore if a collector is striving for a set in 70, it is possible, but somewhat expensive and your search will take some time.

Getting back to the classic rarities, following the 1995-W comes the rather recent issue of the 2019-S Enhanced Reverse Proof coin. This special finish coins mintage is actually less than the 1995-W and

comes in at a mere 29,910 coins minted. The value of this issue in PF-69 comes in at \$1,500 and escalates to \$2,500 in PF-70. This coin may be a sleeper and could easily increase as more collectors strive to complete a variety set. It does currently have the lowest mintage of any Silver Eagle.



REVERSE OF 2007



REVERSE OF 2008

The next coin on the rarity list is the 2008-W Reverse of 2007. Since this is a variety no official mintage is listed but according to the “Freedom of Information Act” information from the mint has its reported mintage of 46,318. MS-70 examples can exceed \$1000. Next is the 2020-W V75 Privy Mark coin. This is the first and only Silver Eagle to carry a Privy Mark. The “V75” was used to commemorate the 75th Anniversary of the end of World War II. This coin can also top \$1000 in PF-70

In 2019 there were two Enhanced Reverse Proof coins issued. As earlier noted the 2019-S has the lowest mintage but the 2019-W Enhanced coin mintage is a low 99,675 which brings this issue to command a price of \$250 in PF-70. It was issued as part of the “US-Canada Price of Two Nations Set.”



There are several other lower mintage issues which may pose as challenge to collectors but with a bit of patience they can be obtained. It may be time for collectors to stop looking at the U.S. Silver Eagles series as simply bullion issues and contemplate assembling a set. It appears that interest will continue to increase both collectability and value.

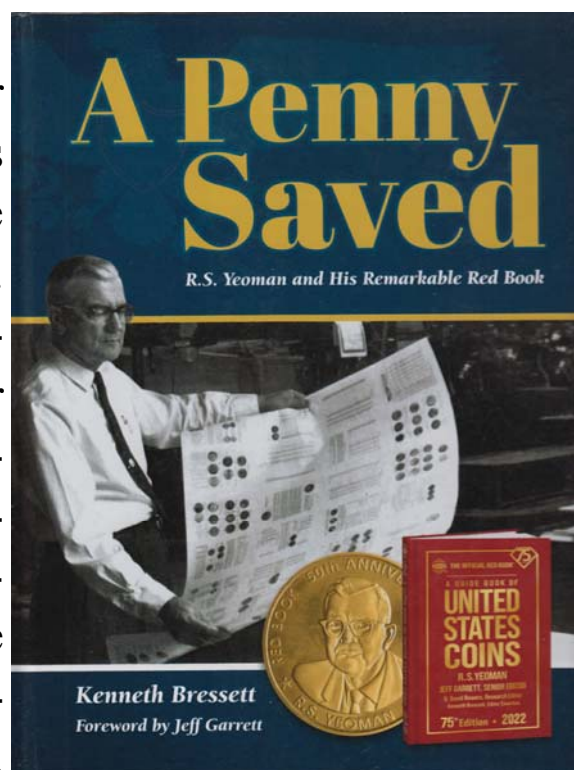
BOOK REVIEW

A Penny Saved

By Kenneth Bressett

Doug Nyholm

This book is one about the original author of the Red Book, R.S. Yeoman. It details the evolution of the Red Book from before the first issues to the current edition. There is virtually no collector who isn't familiar with the name R.S. Yeoman or know or own a Red Book. This documentary of its evolutions begins with the origins of the Western Printing and Lithography Company then covers not only the Red Book itself but the life of R.S. Yeoman. The book is filled with photos, quips, and quotes from Yeoman himself and those associated with his life.



Next time you pick up a Red Book or pass a dealers table at a coin show with a copy at his table you will know some of the history that make R.S. Yeoman and his book the most popular and published coin book in history.

The book is available through Whitman or booksellers in full color hard cover for \$39.95. It is 334 pages in length.

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PRIVATE GOLD COINAGE.

I.

THE STATE ASSAY OFFICE
OF CALIFORNIA, 1850.

EDGAR H. ADAMS.

PRIVATE GOLD COINAGE.

I.

THE STATE ASSAY OFFICE OF CALIFORNIA.

As the years gradually force farther into the background the world-famous gold days of '49, the interest of students of American history in that important period of the nineteenth century becomes more pronounced, and every detail of those times when adventurers flocked to the Western El Dorado from all parts of the world, overland and by sea, is now beginning to attract attention.

Conspicuous among the many novel features of California in the pioneer days is the gold currency, of various forms and denominations, made outside of Government authority from the gold taken from the placers of the Sierra Nevada mountains. At the time of the issue of this coinage there were so many happenings of greater importance that but little attention was paid to it except from the standpoint of utility. But now that all the great occurrences of the period of '49 have been noted, discussed, and assimilated, the less important happenings are beginning to rise to the surface, uppermost among which comes the unofficial gold coinage.

So little familiar are we now-a-days with the conditions of the past in respect to private gold coinage that we view with astonishment the fact that such issues were freely made and as freely circulated; and there naturally ensues the desire to know why such coins were made, what were the circumstances that brought them into being, and why the Government took no steps to prevent their manufacture and circulation.

As there were no less than fifteen establishments in California which from time to time made gold coins for circulation from 1849 to 1855, an exhaustive history of the operations of all these establishments represents considerable volume, and yet it is felt that the full details should be given, if the student of numismatics is to be placed in a position to do his own thinking and to draw his own deductions.

It is the intention of the writer to give detailed accounts of each of these private minting establishments, which will embrace all the information he has

been able to gather upon the subject after a search through the principal California libraries. If at times these articles seem to be long drawn out, because of the publication in full of the text of some important document or announcement, the reader will understand that this is done for the purpose of grouping all the known information, so that a student of both the present and the future may have it at hand in available form; for the complete history of the gold coinage of California must be written later, since there are at present too many gaps to permit the preparation of an adequate work on the subject.

We will first take up the operations of the California State Assay Office, for the reason that, though other institutions preceded it by a few months in the production of a gold currency, yet a State establishment for the manufacture of a gold circulating medium was first mentioned early in 1848, long before the issue of any of the coins by private persons, and it should therefore have precedence over all others.

The State Assay Office of California is interesting to students of the currency of this country for a number of reasons. First, and perhaps most important of all, that establishment was the only one of the kind ever operated in the United States, under the authority of a State. Secondly, its issues were so closely allied to an actual gold coinage that it is an open question if California, through its medium, did not unpremeditatingly violate a clause of the United States Constitution which forbids any State to issue currency. Third, the issues of this Assay Office were the first to gain the title of "slugs," by which designation many subsequent issues of California were known.

The Assay Office was greatly needed on account of the indefinite value of gold-dust, which was the principal circulating medium of California from the time of the discovery of gold at Coloma in January, 1848.

There was no standard value of gold. It varied in value according to conditions. At the mines and even at certain places along the coast, gold was frequently sold at \$6 and \$8 an ounce, although worth on an average around \$18. There were many instances where it was sold for less, especially by the Indians, who are said to have sold gold-dust as low as a dollar an ounce, a silver dollar having a real value in their eyes, while they wondered why the white men so highly regarded gold.

All kinds of weights were used, many of them fraudulent. One style of weighing that found favor at the mines was to use two empty sardine boxes as balances, with a silver dollar as an ounce weight. Of course a dollar was a good deal less than an ounce in weight. And there is even record that gold was bought and sold by the avoirdupois ounce.

The private gold coins made their appearance in 1849. In many instances these private coins soon fell into disrepute as they were worth consid-

erably less than their stamped value, and at one time certain of these pieces were accepted at bullion value only, and were not desirable even then. These coins were accompanied by the general circulation of adulterated gold-dust and bogus nuggets.

A tremendous trade was carried on in different parts of California, and a stable circulating medium of definite value was urgently required, which led again and again to agitation for the establishment of a United States Branch Mint or an Assay Office.

The creation of a State Assay Office had been suggested as early as July 22, 1848, when at a meeting of the citizens of San Francisco a resolution was addressed to the Military Governor, Richard B. Mason, Colonel of United States Dragoons, to appoint one or more assayers to test the quality of the gold taken from the placers of the Sacramento. Also that the Governor appoint a competent person to superintend the conversion of gold into ingots of convenient weights, the same to be stamped with the name of the person furnishing the gold to be cast, the weight, and, if possible, the fineness in reference to standard; the said officer to keep record of all gold cast, the expenses of casting to be defrayed by the person furnishing the raw material. This resolution, for some reason, did not meet with the approval of Governor Mason.

Nothing further was done toward the establishment of a State Assay Office until April, 1850, when a meeting of San Francisco business men was held to take action upon the use of quicksilver gold as a currency. A committee appointed at this meeting reported on April 5 that, owing to the ease with which quicksilver gold could be adulterated, the community ought to refuse to recognize it as a currency: also that the reception of California coin be refused as a currency, owing to its erratic value. It further recommended that a committee be appointed to receive proposals for assaying, and to satisfy themselves as to the skill and integrity of persons intending to become assayers, and to recommend the Legislature to appoint one or more of the applicants to make ingots of the fineness and weight of the United States Mint values, at five per cent. discount from the same, "which will be received by them, and that gold-dust be received in payment in its natural form at \$16 per ounce."

The establishment of the State Assay Office was intended to remedy a number of evils to which the mining community had long been subjected, as the raw gold as taken from the mines had been almost exclusively handled by speculators at \$2 per ounce less than its real value. The gold-dust, which was current before the operation of the State Assay Office, had an average intrinsic value of \$18 to the ounce, the assays ranging from \$17.90 to \$18.20, although passing current at only \$16 to the ounce. Quicksilver gold, which

passed current at only \$14 an ounce, was really worth more than the average gold-dust, and it is said that the dealers who received it at \$14, shipped it to the East and realized a profit of from \$4 to \$5 on each ounce.

On April 6, 1850, the merchants of San Francisco addressed a petition to the California Legislature praying that the office of State Assayer be created, whose duty it should be to smelt and assay gold-dust and issue bullion bearing upon it a State stamp, with the number of carats, weight, and mint value thereof, to be used as a substitute for the present gold currency, and who shall give such bonds and be subject to such penalties as the circumstances of the case might seem to require. This petition was signed by about four hundred of the leading citizens.

On April 12, 1850, a number of prominent citizens of San Francisco addressed a petition to Gov. Peter Burnett, asking that Frederick D. Kohler be appointed as State Assayer. Mr. Kohler, who had been a jeweler in New York city, and also had served as an Alderman of New York, joined the gold rush in 1849, and for several months prior to the establishment of the State Assay Office had conducted a gold assaying establishment in San Francisco in partnership with David C. Broderick, afterward prominent in the political life of California, and later a United States Senator. It is thought that the assaying firm of Broderick & Co., or F. D. Kohler & Co., made the five and ten dollar gold pieces bearing the stamp of the Pacific Company, dated 1849.

The bill creating the office of State Assayer became a law on April 20, 1850. The full text of the law is herewith given :

An Act creating the office of State Assayer, Melter, and Refiner of Gold, and defining his duties.

Section 1. There shall be established in the City of San Francisco a State Office for assaying, melting, and refining gold.

Section 2. The Governor of the State shall appoint two competent persons to take charge and perform the duties of said establishment, one as Director, the other as Assayer, Melter, and Refiner of gold. Before entering upon their duties, each of them shall execute a bond, with two or more good sureties of \$50,000 each, to be approved by the Governor, conditioned for the skillful and faithful performances of all the duties required of them by law, which bonds shall be made payable to the people of the State of California, and deposited with the Secretary of State. They, and all persons in their employ, shall take an oath before some Judge, duly qualified to administer oaths, truthfully and faithfully to perform their trust.

Section 3. They shall be appointed and hold office for one year, and until their successors are appointed and qualified. They shall keep their office open daily (Sundays excepted) from 9 o'clock A. M., until 2 o'clock P. M., for the transaction of business.

Section 4. It shall be the duty of the State Director to procure and safely keep a series of standard weights, to correspond with the Troy weights of the United States Mint, consisting of pound weights and the requisite subdivisions. He shall also receive all gold-dust or bullion, in quantity not less than two ounces, Troy weight, which may be offered him for the purpose of assaying or refining. All such gold-dust or bullion shall be weighed, when practi-

cable, in the presence of the depositor, and the Director shall be responsible on his bond for the safe keeping and delivery of the same; if the dust or bullion is in such a state as to require melting before its value can be ascertained, the weight after melting shall be considered as the weight of dust or bullion so deposited.

Section 5. It shall be the duty of the Director to keep a record of the weight of all dust or bullion received by him, the time of its reception, the name and residence of the person from whom it is received, and the amount received from each person, and the county from which said dust or metal was taken, and upon delivery of it into the hands of the Assayer, shall take a receipt of the same in a book kept for that purpose.

Section 6. The Director shall keep a book of receipts, and a receipt shall be given to each depositor of the weight, and value of the amount deposited; said receipts shall be regularly numbered in the order in which they are given, and the number of the receipt shall be entered upon the margin of the page from which it is taken, with the date when given, the weight and value of the amount, and the name of the person receiving the receipt.

Section 7. It shall be the duty of the State Assayer to carefully refine and assay any and all gold-dust or bullion placed in his hands by the Director for that purpose, and to cause the same to be made into ingots or bars, in the form of an oblong square, and of such weight as shall be desired by the depositor. Provided, that no such ingots or bars shall be made or issued of less weight than two ounces.

Section 8. The State Assayer shall keep books of record, in which shall be recorded the original weight of all dust or bullion placed in his hands by the Director for assaying, melting, or refining, or either, and the date of receiving it. He shall also keep a record of the weight, value, and fineness of the respective deposits of all dust or bullion assayed, refined or melted, and the date when delivered to the Director.

Section 9. The State Assayer shall regularly number and stamp upon the ingots or bars thus made the true value in dollars and cents, and the correct weight and carat fineness thereof, in accordance with the United States Mint standard; also the letters "CAL," the date, and his own initials in plain letters over the words "State Assayer," and upon each end and side of any ingot and bar so issued, some uniform stamp or impression, and shall, as soon as thus prepared, place it in the hands of the Director, taking his receipt in a book kept by the Assayer for that purpose, and the Director shall hand it over to the depositor, if demanded, within four days after the deposit of the dust, unless the time shall be prolonged by the depositor by a written agreement, when the weight given shall be returned to the Director, who shall cancel and keep the same.

Section 10. The State Assayer and Director shall be entitled to charge and collect from each depositor one per cent. each upon the value stamped upon the ingots or bars issued, out of which they shall pay all expenses attending upon their duties as prescribed in this Act. The balance shall be equally divided between them. They shall also in addition collect and retain in their possession three-fourths ($\frac{3}{4}$) of one per cent. upon the total amount assayed and issued by them, which sum so retained they shall at the end and expiration of every sixty days, pay or cause to be paid into the State Treasury for the use of the State.

Section 11. The books and papers of this office shall be examined every three months by the Attorney General of the State, who shall make a report to the Governor of each examination. The Judge of either County Court may institute an examination when requested so to do by any depositor, or the Chamber of Commerce, or Board of Trade of either city in the State; and they shall produce all books, records, and papers when required by any court before whom complaint or suit is brought against them, or either of them, for any violation of this Act.

Section 12. They shall each make a full and correct report under oath to the State Treasurer, every sixty days, in detail of all transactions in his official capacity, as Director or Assayer.

Section 13. All ingots or bars of gold bearing the stamp of State Assayer, as provided by this Act, shall be received in payment of all State and county dues, taxes, and assessments, at the value expressed thereon in dollars and cents, provided, such ingots or bars have not been mutilated nor reduced in size, weight, or value.

Section 14. Neither Assayer nor Director shall loan or use, or cause to be loaned or used, for any purpose whatever, any gold-dust or bullion in their possession for account of depositors, and any use which shall be made of any gold-dust or bullion deposited with them otherwise than for the purpose specified in this Act shall be deemed a misdemeanor, and either of them on conviction thereof before any competent tribunal, shall be punished for each offence by a fine not less than one thousand dollars, and by imprisonment not less than six months.

Section 15. The Governor may, when petitioned so to do, direct the Director and Assayer to establish a branch or branches of their office at Sacramento, and Stockton, or Sonora. They shall cause all business of such branch or branches to be conducted in all respects in accordance with the provisions of this Act, regulating the office at San Francisco. The Director and Assayer shall give an additional bond of \$50,000 for each branch formed under the provisions of this Act, and all ingots or bars made at either branch shall be stamped, marked, and numbered as directed in Section 9, and in addition the words "Sacramento," or "Stockton," or "Sonora."

Section 16. The Director and Assayer shall be responsible on his bond for all the acts of their employes and agents.

Section 17. Any person or persons who shall alter, mutilate, reduce in weight, clip, file, sweat, alloy, or reduce in value in any way any ingots or bars, made under the provisions of this Act, shall be deemed guilty of a misdemeanor, and on conviction thereof before any competent tribunal shall be punished for each offence by fine not less than one thousand dollars, nor more than fifty thousand dollars, and imprisonment not less than six months, nor more than two years.

Section 18. If any person shall make, or cause to be made, forged or counterfeited, or aid or assist in making or circulating any ingots or bars which may be made under the provisions of this Act, he or they shall be considered guilty of counterfeiting, and shall, on conviction thereof, be punished by fine not exceeding five thousand dollars, and by imprisonment in the State prison for a term not exceeding three years.

Section 19. Whenever any branch Mint of the United States shall be in operation within this State it shall be the duty of the Governor to issue his proclamation stating the fact, and abolishing the office of State Assayer and Director.

Section 20. If there shall be any error, either in the weight, quality, or value of the gold or metal so stamped upon the said ingots or bars issued by the said Assayer and Director, they shall forfeit the percentage allowed to them, and shall also be liable to the amount of the difference between the stamp upon said ingots or bars and its true value at the United States Mint standard, and shall also pay all damages that may accrue by such error, and may be sued upon their bonds or otherwise for the same in any court of record in the district in which they shall reside.

Section 21. Section 2 of an "Act to prevent coining of money by individuals," passed April 8, 1850, reads as follows: "Any person who shall stamp or impress, or shall cause to be stamped or impressed, upon any piece of gold of less weight than four ounces, Troy weight,

whether pure or alloyed, any figures, letters, or marks indicating or purporting to indicate its weight, fineness, or value, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished as prescribed in the preceding section." So much of this section above recited as may conflict or be inconsistent with any of the above provisions of this Act, is hereby repealed.

Upon the passage of the Act creating the State Assay Office, Governor Burnett appointed O. P. Sutton as Director and Frederick D. Kohler as State Assayer. Mr. Kohler at once abandoned his private assaying business in Clay Street, San Francisco, which was sold to Baldwin & Co., and this announcement appeared in "Alta California" on May 24, 1850:

The undersigned have opened an office in the building now occupied by Messrs. Baldwin & Co., south side of Portsmouth Square, and will be prepared to receive gold-dust for smelting and assaying on Monday the 13th, in accordance with the provision of the law passed by the Legislature of the State, April 20, 1850. In making this announcement we beg leave to state that desiring to establish an office at the earliest practicable moment our arrangements are necessarily less complete than they otherwise would have been; nevertheless, we trust that they will be found sufficient to meet the wants of the community.

O. P. DUTTON, *Director.*

F. D. KOHLER, *Assayer.*

About 5,000 ounces of gold were deposited with the State Assayer the first day, larger amounts following. One of the deposits showed an original weight of 689½ dwts., which after smelting weighed 682½ dwts. The fineness of this lot was 20¾ carats, and the value \$570.54. On this bar the gold-dust brokers had marked a value of \$519, and it had been bought by them at \$14 an ounce, which well exemplified the benefit the miners were to derive from the State Assay Office. The State Assayer also discovered many bogus gold nuggets, weighing from a few ounces up to a pound, and in a few days forty such specimens were brought in. So popular did the new establishment become that the amount of dust presented was beyond the capacity of the office, unless it conducted operations day and night.

As the law provided for the establishment of State Assay Offices at several other cities in California, provision was made for a Branch at Sacramento, on account of its nearness to the great gold placers, and this office commenced operations about July 1, 1850, judging by an announcement in the "Sacramento Daily Transcript" of June 28, 1850, which read:

STATE ASSAYER'S OFFICE. — The undersigned have opened an office on Third, near the corner of J Street, Sacramento City, and on the 1st of July will be prepared to receive gold-dust for smelting and assaying in accord with the provisions of a law passed by the Legislature of this State, April 20, 1850.

JOHN BIGLER, *Director.*

F. D. KOHLER, *Assayer.*

Sacramento, June 28, 1850.

The ingots issued by the State Assay Office ranged in value from \$36.55 to \$150, and the Mint Assayers at Philadelphia were of the opinion that they had first been cast and then finished with a hammer. This theory is supported by the statement of a pioneer in "Alta California" of Nov. 20, 1868:

Nineteen years . . . ago I gazed into the Assay Office of Fred Kohler, situated on the south side of Clay Street, watching for the first time the process of converting gold-dust into bars, and the chipping of the bars into \$50 ingots. "Slugs" was the name given them. The "bankers," monte, faro, and others, being short of coin, and having plenty of dust, had it converted into slugs of that denomination, which they circulated as freely as any other coin, the stamp of the assayer in all cases being taken as its true value. Wass, Molitor & Co., Moffat & Co., an assayer at San Jose, and others of Mormon vintage, circulated as late as 1852, when they finally disappeared, the octagon slug taking their place. . . . the actual value of Kohler's slugs being \$52 at the Philadelphia Mint.

This latter statement in regard to the value of the ingots issued by Mr. Kohler is substantiated by the Mint Assayers at Philadelphia, who asserted at the time of the issue of the pieces that they found a slight variation in Mr. Kohler's assays, and that on the average his bars were worth at the Mint one per cent. more, perhaps one and a half, than the value stamped upon them.

Nevertheless the State Assay Office ingots were not at all popular in California among certain business men for obvious reasons. The gold-dust dealers were interested in keeping the gold below its real value. They decried the value of the ingots, and refused to receive them at par value. This action led a number of the leading business men of Sacramento to announce that they would receive the State ingots of gold at par, as valued by the State Assayer, and as expressed thereon in dollars and cents. At this time the "Sacramento Daily Transcript" made an interesting editorial reference to the matter, which we think worthy of reproduction. On July 15, 1850, it said:

But the bankers and others in San Francisco interested in keeping gold below its real worth to further their own ends, were not to be so easily checked in their lucrative operation. Previous to the appointment of the Assayer they called a public meeting, formed an association, and by combined efforts succeeded in defeating the good end which the law aimed to secure. Strange to say, that up to this time the people—merchants, miners, mechanics, and laborers—have permitted this combination to hold the sway, decrying the value of the ingots, *refuse* to receive them at their par value, and thus *prevent* their general circulation and the good results which would necessarily have followed. . . .

First, then, the miner parts with his gold at \$16 the ounce. If he has fifty ounces it nets him in gold coin \$800; but suppose ingots are circulated at their par value, as they should be, the miner then takes his fifty ounces to the Assayer's, where he pays for assaying it, say, \$1 per ounce, and it yields him in ingots, after the expense is paid, say \$1, \$17 per ounce. Fifty ounces at \$17—\$850—making a difference of over 6 per cent. in his favor.

But a still greater saving might be effected on quicksilver gold than 6 or even 8 per cent. Quicksilver gold brings only \$14 per ounce. Does the miner and do the people generally know that this gold is worth more intrinsically than any other? If they do not, the Assayer will tell

them so. The particles of gold taken up by the quicksilver are doubly refined and pure, and those who ship it to the States make the enormous profit of from \$4 to \$5 on every ounce shipped, all of which comes out of the pocket of the miner and laborer. The question may now be asked, what is the true value of the ingot, and it will probably surprise some of our readers to be informed that these ingots which are refused by this combination are worth more than American gold coin [the private gold coins were always referred to as "California coin" in California, while the regular United States Mint issues were entitled "American coin"] and yet such is the case; every ingot stamped \$37 will realize \$40 in gold coin at the United States Mint. . . . Shall the whole community suffer in order that those who are engaged in this gold shipping business may be aggrandized? We say emphatically No! Let us receive the ingots.

It would seem that the fifty-dollar ingots were made at the Sacramento branch of the State Assay Office as well as at the one located at San Francisco. Almarin B. Paul, one of the California pioneers, stated that the "first fifty-dollar gold piece was made at the State Assay Office in Sacramento City, located on Third Street, near J, and, if my memory is correct, in June or July, 1850. John Bigler, afterward Governor of California, was chief of this office, and Milton S. Latham, afterward a United States Senator, was Bigler's first assistant. Mr. Latham brought over and showed to me a fifty-dollar piece which he said was the first piece made about this time, when I was doing a mercantile business near the office, on J Street."

So far as known, only one ingot that was issued by Kohler at the Sacramento Assay Office now exists. The law specified that such ingots, in addition to the regular inscription to be borne by those issued at the San Francisco office, should bear the name of the city in which the Branch Assay Office was situated. That a good many ingots were issued at Sacramento is learned from a statement in the "Daily Transcript" of August 8, 1850, which showed "that the number of depositors at the Sacramento Assay Office up to that time totaled 161. The value of the gold, at \$16 per ounce, was \$59,028.80; at \$14, \$51,650.84, and the actual value at the United States Mint, \$66,596.84."

Up to a few years ago the only known specimen of the Kohler ingots was one of the denomination of \$40.07. At one time it is said to have been in the coin collection of the Philadelphia Mint. A piece of the denomination of \$50 was discovered in the coin collection of the California Pioneers Society by Farran Zerbe in 1905, when he paid a visit to the San Francisco Mint, where the collection is now on exhibition. In the summer of 1907 collectors were gratified to note still another variety listed in the collection of Bruce Cartwright of Honolulu, which was disposed of in London. The latter piece was of the denomination of \$45.34, and is now owned by Virgil M. Brand of Chicago. In 1908 Mr. Brand came into the possession of still another Kohler ingot, of the denomination of \$36.55, issued at the Sacramento office, which he purchased from a family in whose ownership it had been for many

years. This ingot was one of a miscellaneous collection of gold coins that had been saved since the days when the Kohler slugs circulated in California. The design of the ingot issued at the Sacramento office differed from those issued at the San Francisco establishment in that on the edge of the former were the words "STATE ASSAYER" while the reverse bore the inscription "F. D. KOHLER, STATE ASSAYER" in two lines. The shape was also somewhat different from the other issues, as it was square instead of oblong in form.

That still another specimen of the State Assay Office issues may be in existence is indicated by an illustration of a rectangular bar of gold of the value of \$54.09 in "Beyond the Mississippi," written by Albert D. Richardson. The design of this piece agrees perfectly with all the known issues of the San Francisco office, and may yet come to light to interest students of the American private gold series.

The State Assay Office was discontinued when the United States Assay Office began operations at San Francisco, February 1, 1851, the Act creating it having been repealed January 28, 1851.

While the law creating the State Assay Office provided for the careful keeping of books to show the character and extent of the business done, such records cannot now be found. Whether they have been mislaid or lost is not known, but much interesting information in connection with the first and only State Assay Office is unavailable, it is to be hoped only temporarily.

Frederick D. Kohler, as well as his first partner, David C. Broderick, were both prominent New York firemen, and when they reached California at once took an active part in the operations of the San Francisco Fire Department. Mr. Kohler became the first Chief Engineer and Mr. Broderick was the foreman of the Empire Company. It is said that but for the valuable services of these and other experienced firemen, the fires in the early days of San Francisco would have been far more disastrous.

Mr. Kohler conducted a private assay office after the State Assay Office went out of existence, as will appear from the following business card in the "Daily Alta California" of July 28, 1853:

UNITED STATES ASSAY OFFICE. — Frederick D. Kohler, United States Assayer. Office at Wass, Molitor & Co., Merchant Street, San Francisco.

It is interesting to note that both Mr. Bigler, Director of the Sacramento State Assay Office, and Mr. Latham, his assistant, afterward became Governors of California, and the latter was also a United States Senator.

#

Gaylen Rust, Utahn accused of \$200 million Ponzi scheme, pleads guilty

SALT LAKE CITY — The Utah man who prosecutors and investors have accused of running a \$200 million silver trading scheme to fund charitable causes and lure more victims, pleaded guilty in federal court Monday. Gaylen D. Rust, 62, pleaded guilty to wire fraud, securities fraud and money laundering conspiracy. The plea agreement calls for prosecutors to recommend 19 years in prison.

Another count of securities fraud was dismissed as part of the agreement with prosecutors. Rust answered routine questions from U.S. Magistrate Judge Cecilia Romero. He was represented by public defenders. Rust and his family operated Rust Rare Coin. According to civil and criminal court documents, beginning in at least 2008, Rust induced investors to put money toward silver trading. “Their money was going to be used to buy physical silver that was going to be stored at the warehouse,” explained Alan Rosca, an attorney representing some of Rust’s investors. “And it turned out that none of that was true,” Rosca said. “He was a fraud. It was all smoke and mirrors.” Court records have placed the money Rust and his family solicited at \$200 million. Some of the proceeds were diverted to a \$2 million home in Layton, and other businesses, including racehorses, according to court records. The Rust family also sent money to music charities in Utah. Rust’s now ex-wife, Denise Gunderson Rust, 62, is already serving 18 months after pleading guilty to wire fraud, though she appears to have been released to a home confinement or halfway house. Someone with her name appeared in the list of Zoom call participants. She filed for divorce after the fraud was exposed. The former couple’s son, Joshua D. Rust, 39, is awaiting trial on counts of money laundering and attempted conspiracy to commit fraud. He has pleaded not guilty. His trial is scheduled for April. A receiver is liquidating the Rusts’ assets and pursuing money they donated to Utah State University and tithed to The Church of Jesus Christ of Latter-day Saints. And there is a lawsuit against a bank accused of not doing enough to detect and stop the fraud.

“I think the receiver is doing a great job trying to locate money for the investors,” Rosca said, “but in terms of being able to pay everybody back everything that they lost, I’m not seeing it.” Rust also agreed to pay \$153 million in restitution to more than 500 victims, though it’s unlikely he’ll be able to pay. Rust’s sentencing is scheduled for March 8, 2022 .

The above reprinted courtesy of FOX News / Utah



The Money Quiz

1. Which of the following did not issue \$50 Gold coins?

- | | |
|-----------------------------|---------------------------|
| A) U.S. Assay Office | B) Kellogg Company |
| C) Wass Molitor | D) Moffatt |

2. Who issued the first territorial/pioneer gold coins?

- | | |
|--------------------|-----------------------------|
| A) Bechtler | B) Templeton Reed |
| C) Mormon | D) U.S. Assay Office |

3. Which pioneer gold coin is the most copied/re-produced?

- | | |
|------------------------|------------------------------------|
| A) Mormon \$10 | B) Blake & Company \$20 |
| C) Kellogg \$50 | D) U.S. Assay office \$10 |

4. Who minted gold coins and was located in the one-time capital city of California, Benicia?

- | | |
|---------------------------------------|----------------------------|
| A) Wass Molitor | B) Dunbar & Co. |
| C) Norris, Gregg, & Norris | D) Blake & Co. |
| D) | |

5. Which company minted a \$5 gold coin depicting a Horseman or Vaquero?

- | | |
|----------------------------|---------------------------------|
| A) Moffat & Co. | B) Baldwin & Co. |
| C) Miners Bank | D) H. M. Nagle & Co. |

6. Which pioneer gold company was the only one to depict a non-liberty Indian on a coin?

- | | |
|---|---------------------------|
| A) Cincinnati Mining & Trading | B) J.S. Ormsby |
| C) Pacific Company | D) Adams & Co. |



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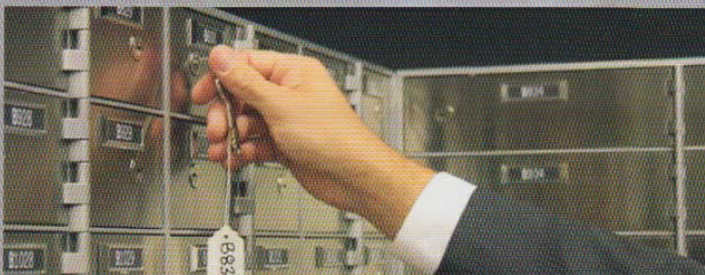
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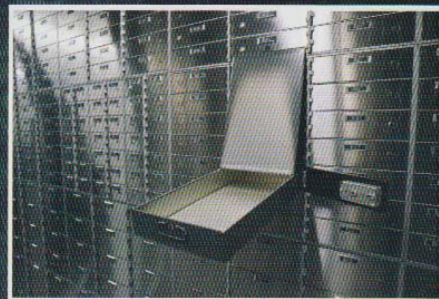
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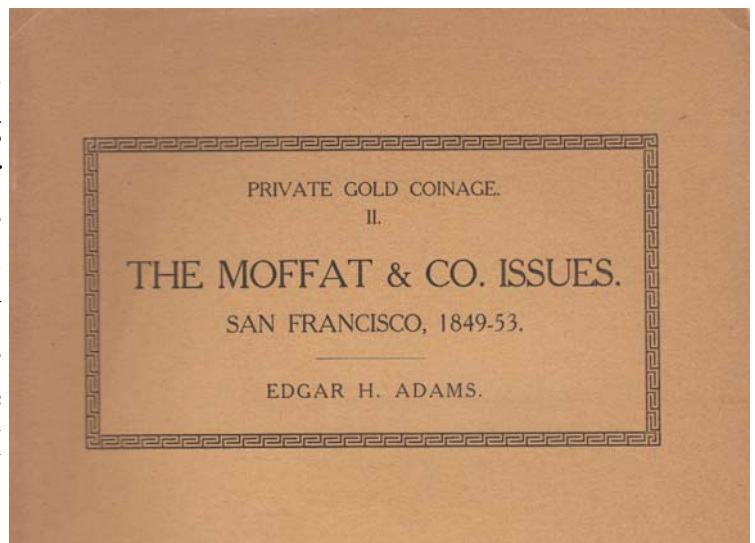
HAPPY NEW YEAR

I hope your holidays were happy and I wish all of you a prosperous New Year. I personally have been very busy since Thanksgiving and additionally have writers block with difficulty of what to present to the readership for this January edition. I did manage to come up with some thoughts about Silver Eagles which have evolved into quite a collectable and not just bullion anymore. I was planning to also examine world gold bullion coins but couldn't get this completed as there is just too much fragmented information, dozens of articles and internet locations with everything seemingly just a jumble. I will have to spend more time assembling this information.

I did, just before Christmas find two publications I ordered on EBay and just received them. One was titled "The State Assay Office of California 1850" the other "The Moffat & Co. Issues, San Francisco 1849-1853." Both of these publications were written by Edgar H. Adams in 1911. Adams was a well known collector and researcher at that time specializing in Pioneer Gold. Even today these 110 year old publications contain very interesting information. The Assay Office article is only 12 pages long and is re-printed in its entirety within this Mint Master. The information contains insights and information about this office and the politics of the California gold rush. I hope you find it interesting also.

Sincerely,

Doug Nyholm



#

PRIZES

#



MEMBER PRIZE

1946 P Walker Half Dollar

ON-TIME PRIZE

State Park 4-coin P,D,S,S Silver

YOUTH PRIZE

World Coin Set

- 1. Shuttle Discover Coin**
- 2. State Park 4-coin PDSS Silver**
- 3. 1982 Commemorative Proof Half**
- 4. 1900 Morgan Dollar**
- 5. Canadian Regina Dollar**
- 6. 1976-S Proof Ike Dollar clad/ Type 1 & 2**
- 7. WWII Commemorative Dollar**
- 8. 2016 Unc. Eagle**
- 9. 1885-O Unc. Morgan Dollar**
- 10. 1943-P BU Washington Quareter**

BUY OF THE MONTH - To Be Announced



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Quiz Answers

1. D
2. B
3. B
4. C
5. B
6. A